

In the Specification:

Please replace the paragraph on Page 14, lines 6 - 13, with the following marked-up replacement paragraph:

A1
-- Alternatively, the satellite TV operator site may host a merchant's site providing the merchant site services 150 locally within the satellite TV operator site 120. Therefore, when the consumer interacts with his television or set-top box 110 and provides input over the telephone line 115 to the interaction interface 130, the interaction information is directed to the local merchant's site 150 (rather than the Internet 160), where the local site responds to the consumer 110 via transmission 125, ~~115~~ 105 through the satellite 100. Or, merchants may have their own information systems in their own locations (not shown in Fig. 1), connected to the satellite system 120, in which case the interaction information is directed in this same manner. --

Please replace the paragraph on Page 15, lines 5 - 23, with the following marked-up replacement paragraph:

A2
-- Interactive retail merchandising and purchasing can be conducted in the satellite TV system of Fig. 1 or the cable TV system of Fig. 2, or in the broadcast television environment. These different environments will be referred to hereinafter as "interactive television systems" or "interactive television environments" for ease of reference. A merchant can display an offer to a TV viewer by sending data through the interactive television system. The consumer can then accept an offer and make a payment using the return signal path. The payment for an item may be made in a number of ways. The payment may be made by entering credit card information into a form that is transmitted from the merchant to the consumer. Or, one of a number of specialized

payment protocols may be used to exchange payment-related messages for the purchase.

A2
Examples of these payment protocols include: (i) Secure Electronic Transactions, or SET™, defined by MasterCard®, Visa®, and other companies; (ii) the protocol defined by the X9.59 standard, titled “ANSI X9.59-199x for the Financial Services Industry: Account-Based Secure Payment Objects”, of the American National Standards Institute; or (iii) a 4-Party Internet Credit/Debit Protocol as disclosed in U. S. Patent 6,327,578 (serial number 09/221,869, filed 12/29/1998). These payment protocols are augmented according to the present invention to include TV context information related to a consumer’s TV-based purchase, as will be discussed in more detail below. (“SET” is a trademark of SET Secure Electronic Transaction LLC, “MasterCard” is a registered trademark of MasterCard International Incorporated, and “Visa” is a registered trademark of Visa International Service Association.) --

Please replace the paragraph on Page 23, lines 3 - 7, with the following marked-up replacement paragraph:

A3
-- An important aspect of the present invention is the fact that the merchant cannot tamper with ~~the~~ any of the contents of the authorization token, specifically including the TV context information. Since the token is digitally signed by the issuing bank, any modification thereof will be detected by the acquiring bank. The acquiring bank will then deny payment to the merchant, and prevent allocation of any revenues to TV originators. --

Please replace the paragraph on Page 23, lines 8 - 19, with the following marked-up replacement paragraph:

A4 -- Fig. 4 illustrates the transaction flows with which a second preferred embodiment of the present invention may be implemented when using a 3-Party Credit/Debit Protocol (such as SET or X9.59). When using a 3-Party system, the purchase request is forwarded from the consumer to the merchant, and the merchant then forwards this information to the acquiring bank, which forwards it to the issuing bank. The consumer does not interact with the issuing bank in a 3-Party system (as in contrast to the approach described above for the 4-Party system); rather, the acquiring bank contacts the issuing bank (e.g. to determine whether the consumer's account is still active, and whether the account can accept new charges or debits, etc.) in this system. The acquiring and issuing functions in a 3-Party system may be performed by different card companies or banks, or they may be performed by a single card company or bank (including the scenario where different entities within the single card company or bank perform the acquiring and issuing functions). 3-Party systems are commonly used by credit card operations such as MasterCard and Visa. --

Please replace the paragraph that begins on Page 23, line 20 and carries over to Page 24, line 25, with the following marked-up replacement paragraph:

A5 -- The transaction flows of Fig. 4 are similar to those of Fig. 3, and begin with the consumer initiating the process by creating a "buy" indication 400 using a browser (as described in Fig. 3). The TV context information is then gathered. (As described above, static portions of the TV context information which are unrelated to the point in time at which the TV commerce transaction was initiated may alternatively be gathered at a later point in the process.) The "buy" indication 400 is sent to, and received by, the merchant and is processed using techniques which

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do not form part of the present invention. The merchant responds 405 to the consumer with a wallet initiation message which is digitally signed by the merchant and which includes the merchant's digital certificate. The consumer logs on to the wallet program (as described with reference to Fig. 3). The consumer's wallet program sends 410 the information from message 405, the gathered TV context information, and the consumer's identification and other information provided by the wallet program to the merchant. Preferably, this information is signed by the consumer before transmission, as described above with reference to message 310. This message 410 is a purchase request from the consumer. Following receipt of message 410, the merchant sends an authorization request 415a to the acquiring bank, which is then forwarded 415b to the issuing bank. Messages 415a and 415b constitute a request for the issuing bank to charge the consumer's account for the amount indicated, and to pay the merchant indicated in the message. The issuing bank verifies the message contents, as described above with reference to the issuing bank functions ~~with reference to~~ in Fig. 3 (e.g. determining whether the consumer's account is valid and whether it has sufficient funds or credit for this transaction), and begins processing the information. The issuing bank, upon a successful verification, sends 420a an authorization response to the acquiring bank, which then forwards 420b this message to the merchant. The merchant, in turn, sends 430 a purchase response to the consumer. The merchant also sends 435 a capture request to the acquiring bank, after which the acquiring bank sends a message 440 to the issuing bank, indicating that the consumer's account is to be charged for the purchase. The TV context information included in the capture ~~response~~ request may then be processed by the acquiring bank (as described for Fig. 3 above). A capture response is sent 445 from the acquiring bank to the merchant, as discussed with reference to message 335 of Fig. 3. --

Please replace the paragraph that begins on Page 25, line 11 and carries over to Page 26, line 7, with the following marked-up replacement paragraph:

AK -- Fig. 5 illustrates the transaction flows with which allocation and distribution of funds may be made, according to the preferred embodiments of the present invention. (While Fig. 5 specifically depicts the flows in a 4-Party system, it will be obvious to one of skill in the art how the analogous 3-Party flows may be substituted. In particular, if the acquiring bank and issuing bank are replaced by a single entity within a single bank, then flows 505 and 510 may be omitted.) The capture request (which represents the same message shown in Fig. 3 at 325, or equivalently, message ~~410~~ 435 in Fig. 4) is sent 500 from the merchant to the acquiring bank. The acquiring bank forwards 505 the charge (indicating, *inter alia*, the amount of the purchase) to the issuing bank for payment. The issuing bank processes the information, deducts the funds from the consumer's debit card or charges the amount to the consumer's credit card, and transfers 510 the appropriate funds to the acquiring bank. The issuing bank typically charges a percentage of the purchase amount for its services. This amount (e.g. from 2 to 8 percent) is deducted by the issuing bank from the total amount before the funds are transferred to the acquiring bank. The acquiring bank typically also collects a fee for its services (again, often from 2 to 8 percent) which is deducted from the transferred funds. The acquiring bank preferably also processes the TV context information (see Fig. 6) at this point, where the context information was received as part of the capture request 500 according to the present invention, and allocates part of the revenue stream to the TV originators. This fund allocation may occur either directly to the TV originator's bank 515 by electronic deposit, it may be made by check, or it may be made by some other pre-arranged mechanism. When the TV context information processing is completed, the

A6 remaining funds are transferred to the merchant's bank account at the acquiring bank (or perhaps at another bank where the merchant maintains an account). --

Please replace the paragraph that begins on Page 26, line 8 and carries over to Page 27, line 5, with the following marked-up replacement paragraph:

A7 -- Fig. 6 is a flowchart illustrating the logic involved with allocation and distribution of collected funds according to the preferred embodiments of the present invention. The acquiring bank at Block 600 receives the transferred funds from the issuing bank (see flow 510 of Fig. 5). (In the 3-Party system scenario where a single entity within a single card company or bank performs both the acquiring and issuing functions, Block 600 represents the card company or bank receiving the funds directly from the consumer's account.) The payment message is then checked at Block 605 to determine if TV context information is present. If Block 605 has a negative result, then processing continues to Block 610 where the funds are processed according to the prior art (including deduction of the acquiring bank's or card company's fee, and distribution of the remaining funds to the merchant's account). If Block 605 has a positive response, then processing continues to Block 615 where the TV context information is extracted from the payment message. At Block 620, funds are allocated to the TV originator as indicated by the TV context information. The manner in which the amount of funds to allocate to a particular originator is determined may vary from one implementation of the present invention to another, without deviating from the inventive concepts disclosed herein. The information needed for the allocation (such as a percentage rate to apply) may be present in the transmitted messages. Or, this information may be determined by consulting a stored repository of rates; by coding the

AM information into a configuration file locally accessible to the code processing the allocation; by coding the information directly into the code processing the allocation; etc. (It will be obvious that the latter technique is preferably used only when allocation rates are unlikely to change frequently.) Typically, the rates to be used will have been agreed upon by contract terms, and may vary from one TV originator to another. --
